



CAROLE MIGDEN  
CHAIRWOMAN  
STATE BOARD OF EQUALIZATION  
**PRESS RELEASE**

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CONTACT:  
Betty Yee - 916-445-4081

## **California Increases Its Participation in Streamlined Sales Tax Project**

The Streamlined Sales Tax Project (SSTP) involves over 40 states in an effort to simplify and modernize sales and use tax collection and administration.

Today, the State Board of Equalization (BOE) voted 3-2 to elevate California's participation in the SSTP. As an Observer State, California will be more actively involved in ascertaining the effects of the SSTP Agreement on California tax laws. Subsequent action by the Legislature or the Governor is required for California to become a party to the Agreement.

BOE Chairwoman Migden notes, "The objectives of the SSTP are worthy of consideration --- uniform definitions within tax laws, single state tax rates, simplified tax and exemption administration, and uniform audit procedures to promote better tax collection and administration. However, California needs to proceed cautiously in the SSTP to understand and seek reconciliation of the terms, definitions, and administrative and governance policies of the Agreement that deviate from California law."

Once a party to the Agreement, California becomes a voting member of the SSTP governing board, which is responsible for the interpretation of the Agreement, issue resolution, and subsequent amendments. Some observers contend this will impinge on the authority of state taxing agencies and legislatures. Dissenting BOE members today expressed concern over this provision.

465 CALIFORNIA ST., STE. 830  
SAN FRANCISCO, CA 94104  
(415) 557-3000  
(415) 288-8873 FAX

450 N STREET, M/C:71  
SACRAMENTO, CA 95814  
(916) 445-4081  
FAX (916) 324-2087

WEBSITE: [www.boe.ca.gov/members/migden/](http://www.boe.ca.gov/members/migden/)  
E-MAIL: [carole.migden@boe.ca.gov](mailto:carole.migden@boe.ca.gov)



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